

Building a Sellable Business Checklist

25-point self-audit to find out how dependent your business is on you — and what it is costing you

modonix.com

Go through each section honestly. Any unchecked box is a structural dependency that is limiting your freedom, your profit, and your business value — whether you plan to sell or not. Tally your score at the end.

Section 1 — Owner Dependency and Process Documentation (5 points)

- My business can operate for 2 full weeks without me making any decisions or taking any actions.**

If the answer is no, the business does not own itself — you do

- Every core operational process is documented in a written checklist that someone else can follow without asking me questions.

- I have tested my process documentation by having someone unfamiliar with the business attempt to execute it.**

Where they get stuck is where the documentation is incomplete

- I have removed myself from at least one major operational task in the last 90 days.

- The business does not depend on any single relationship, supplier, or platform that only I manage.

Section 2 — Revenue Consistency and Financial Clarity (5 points)

- My monthly revenue variance over the last 12 months is below 20% (Revenue Consistency Index above 0.80).**

High variance is almost always a process problem, not a market problem

- I have 24 months of clean, organized financial records that a stranger could understand in 30 minutes.

- I calculate normalized profit monthly — net profit after subtracting the market value of my own labor.**

If normalized profit is near zero or negative, the business is consuming your time below market rate

- My revenue trend is explainable by documented decisions, not random external factors.

- I know my trailing 12-month average monthly net profit without having to calculate it right now.

Section 3 — Overhead Efficiency and Tool Management (5 points)

- I conduct a quarterly overhead audit and have cut at least one underperforming tool or subscription in the last 90 days.**

Overhead that grows with revenue without contributing to profit destroys the Overhead Efficiency Ratio

- My Overhead Efficiency Ratio (Net Profit / Gross Margin) is above 0.35.**

Below 0.25 means less than 25 cents of every gross margin dollar becomes net profit

- Every tool and subscription in my stack has a documented direct contribution to revenue or margin reduction.

- I have not added a new tool or subscription in the last 90 days without first canceling an equivalent cost elsewhere.

- My total monthly software and tool cost is below 8% of monthly net revenue.

Section 4 — Systems, Automation, and Scaling Readiness (5 points)

- My three highest-volume operational tasks are automated or delegated and no longer require my time.**

Manual processes do not scale — they multiply

- I have calculated the cost of my top 3 manual processes at 3x current volume and identified automation candidates.**

Any process costing more than \$500/month at 3x volume is a priority automation

- Adding 50% more order volume would not require 50% more of my personal time.**

If it would, the operation is not systemized — it is manual labor with a storefront

- I spend at least 40% of my work week on strategic improvements, not reactive firefighting.**

The strategic work that prevents fires never gets done while you are fighting them

- My business has grown in the last 12 months without a proportional increase in my personal working hours.

Section 5 — Sellability and Long-Term Value Creation (5 points)

[] I track my sellability score quarterly using the scoring model in the Building a Sellable Business guide.

[] **My business would not lose a major customer or supplier relationship if I were replaced as the primary contact.**

Key relationships that exist only because of you are a structural fragility, not an asset

[] I have a documented plan for replacing myself in at least 3 of my current operational roles within 12 months.

[] **My business financial performance is improving year over year on normalized profit, not just gross revenue.**

Gross revenue growth that does not improve normalized profit is not building value

[] **I could describe my business model, systems, and financial performance accurately in a 30-minute conversation with someone who has never seen it.**

If you cannot explain it clearly, a buyer cannot value it — and you cannot improve what you cannot measure

Your Score

Score	What it means	Recommended next step
20 - 25	Strong: business runs independently, high sellability and personal freedom.	Book a Modonix review to find your next optimization opportunity.
12 - 19	Moderate: some systems in place but owner still too involved in daily operations.	Document and delegate 2 to 3 critical processes this quarter.
0 - 11	Critical: business cannot function without owner, no sellability, no freedom.	Get a free Modonix operational audit at modonix.com/services .

Ready to build a business that runs without you?

Book a free data audit at modonix.com/services — we identify your top 3 margin leaks in one session.